


M · E · M · O

Alameda Corridor Transportation Authority

June 10, 2021

To:	Governing Board
From:	Kevin L. Scott, Chief Financial Officer 
Subject:	<i>Renewal of Insurance Policies for Alameda Corridor Transportation Authority during Fiscal Year 2021-2022 (INFORMATION)</i>

Discussion:

This memo is to inform the ACTA Governing Board that the insurance coverage for the period April 15, 2021 through April 14, 2022 has been successfully renewed and bound. Attached is the 2021-2022 Program Schematic (Transmittal 1).

Success with Renewal Challenges:

The property insurance market increased on average from 10% to 25% in the past year. Because of ACTA's long-standing relationship with AIG, the underwriter agreed to maintain the coverage intact and increase the premium by 10%. The Railroad Liability's primary carrier only increased the premium by one percent, but the excess carrier quoted a 15% rate increase. For the Public Official Liability policy, the premium was increased by one percent with the defense sublimit reduced from \$1 million to \$500,000 and a Bond Exclusion was added. As with other policy exclusions, the full defense would apply unless and until a claim is found not covered by the policy. The Crime and Office Property coverages were increased 7.62% and 14%, respectively.

Over all, there were no changes to any of the carriers providing the insurance policies because they all provided competitive rates. The 2021 renewal premium represents approximately a 3.6% rate increase from the 2020 renewal premium. Of the total \$1.58 million premium payment for the 2021 renewal, 94% is passed through to the railroads for reimbursement.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this Board Report, and there are no legal issues at this time.

Transmittal:

Transmittal 1 – 2021-2022 Program Schematic

